

## **REMARKS**

These amendments and remarks are in response to the Office Action dated September 17, 2004. Claims 1-20 are pending in the application.

In the Office Action, the Examiner rejected claims 1-20 under 35 U.S.C. § 102(b) as being anticipated by U.S. Pat. 6,018,722 (“Ray”).

Each of the rejections from the Office Action of September 17, 2004 is discussed below in connection with the various claims. No new matter has been added.

Reconsideration of the application is respectfully requested in light of the amended claims and the following remarks.

### **REJECTIONS UNDER 35 U.S.C. § 102(b)**

Claims 1-20 were rejected under 35 U.S.C. § 102(b) as being anticipated by Ray. With this response, claims 1-20 have been cancelled and new claims 21-60, including independent claims 21, 31 and 40 have been added. These claims are supported by the Specification and no new matter has been added. Accordingly, Applicants respectfully request that the Examiner withdraw this rejection of claims 1-20.

Further, Applicants respectfully submit that new claims 21-60 are not anticipated by Ray as Ray fails to disclose all of the elements of these claims.

New independent claims 21, 31 and 40 are set out above.

Ray discloses:

[a] computer implemented expert securities portfolio investment management system which operates as Registered Investment Advisor. The system automatically defines personal customer objectives, designs individualized investment portfolios, adjusts portfolios for economic environment, researches and selects specific securities, evaluates and determines the proper time to buy and sell customer securities, generates orders to buy and sell customer securities, updates customer account information and provides tax and performance reports. Research data and personal account information are updated on a timely, periodic basis. *See Ray, Abstract.*

Ray fails to disclose the claimed method, server or system for minimizing communications bandwidth among parties trading derivatives. Ray discloses instead, an investment management system which:

... operates as a Registered Investment Advisor to individually manage customer accounts. The investment system includes a data processing system, the base station, which performs asset allocation by distributing portfolio assets throughout a variety of different types of investment securities. The base station further performs (1) economic analysis by processing various economic indicators which have an impact on the value of securities, (2) fundamental analysis by processing corporate earnings, characteristics of management, quality of financial strength and product information, (3) technical analysis by identifying patterns of price and volume of securities for purpose of exploiting price trends of securities for financial gain and (4) risk/return analysis by processing total returns and systematic risk in a manner known by those skilled in the art as "modern portfolio theory" to compare the investment environment to current customer account holdings. All of this analysis may be performed without human interaction. *See Ray, Col. 2, lines 19-39.*

Further, Ray discloses that:

... if a customer wishes to invest according to recommendations for buy and sell orders 120, the customer may execute orders 450. Upon execution, brokerage account assets are updated 445, order confirmations are generated 455 and Advantage account assets are updated 125. *See Ray, Col. 9, lines 23-27.*

and that:

[o]rders generated by the base station printer are executed through the broker associated with the customer brokerage account 128, FIG. 4. The broker processes the transaction and notifies the Base Station 245 and the customer of the execution of the order by providing an order confirmation 455, FIG. 4. Commensurate with this, the previously opened customer file stored in storage units 240 is accessed and updated to reflect the customer's transaction by writing the transaction data to the customer account. Confirmation is performed by transmission of trade data identifying a specific security description, a quantity, a transaction price, a commission and a total amount of funds invested as a result of the sale or purchase. *See Ray, Col. 10, lines 13-25.*

However, Ray fails to disclose any specific processes, server or systems by which trades, i.e. orders to buy and sell, are actually executed, i.e. how buyers are actually matched with sellers and prices are set. Accordingly, Ray fails to disclose all of the elements of claims 21, 31 and 40. Applicants therefore submit that Ray does not anticipate independent claims 21, 31 and 40.

Applicants respectfully submit that dependent claims 22-30, 32-39 and 41-60 are also not anticipated by Ray for the same reasons as set forth above with respect to the independent claims.

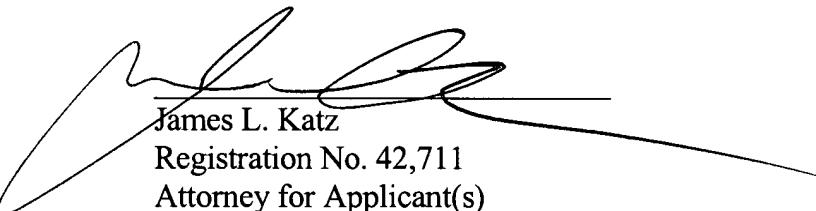
Accordingly, Applicants respectfully request that the Examiner allow these claims.

## CONCLUSION

Each of the rejections in the Office Action dated September 17, 2004 have been addressed, and no new matter has been added. Applicants submit that all of the pending claims are in condition for allowance and notice to this effect is respectfully requested. The Examiner is invited to call the undersigned if it would expedite the prosecution of this application.

Respectfully submitted,

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James L. Katz  
Registration No. 42,711  
Attorney for Applicant(s)

BRINKS HOFER GILSON & LIONE  
P.O. BOX 10395  
CHICAGO, ILLINOIS 60610  
(312) 321-4200